

FISCAL NOTE

Bill #: HB0403

Title: Recreational homes occupied
intermittently by nonresidents is Class 7
property

Primary

Sponsor: Bob Raney

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:	\$39,374	0
Revenue:		
General Fund	0	Unknown
Net Impact on General Fund Balance:	(\$39,374)	0

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	x	Significant Local Gov. Impact	x		Technical Concerns
	x	Included in the Executive Budget		x	Significant Long-Term Impacts

ASSUMPTIONS:

Secretary of State

1. For purposes of CI-75, the incremental cost for the Secretary of State's Office (SoS) Voter Information Packet (VIP) is \$8,673 plus county distribution costs of \$30,701 for a total of \$39,374. The SoS is to receive a general fund appropriation of this amount. A statewide, non-general election has a base cost of \$690,000 for the counties and \$46,987 for the state for total general fund of \$736,987. Per 1-2-112, MCA, county costs must be funded by the Legislature.

Department of Revenue

2. This proposal would result in an increase in property tax revenues. The amount of increase would be dependent on the number of and value of property that meets the qualification of "intermittently occupied recreational residential property". The department does not have sufficient data available to provide an estimate of the impact of this proposal.

(continued)

3. There would be administrative costs in implementing this proposal. The administrative costs include staff time associated with identifying the properties affected by the proposal and the staff time and technical costs associated with developing, printing, mailing, processing and reviewing application forms. However the department does not have sufficient data available to make an estimate of the administrative costs.

TECHNICAL NOTES:

1. Treating nonresidents differently than residents is an issue and concern. The proposal appears to violate Article IV, Section 2 of the United States Constitution. In order to justify discrimination between residents and nonresidents, the state's interest must justify the discrimination and the means adopted for the discrimination must be narrowly drawn and the least restrictive.
2. The language contained in the "Submission of fee change to electorate" (Section 2) does not accurately reflect the true nature of the bill. It fails to mention that the bill targets property primarily occupied by non-residents. The language implies that the tax increase applies to improvements only; however, the proposal also raises taxes on the accompanying land (up to 20 acres) in Section 1 (1-d).